

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Regular Meeting of January 26, 2007  
MINUTES**

**CALL TO ORDER**

A regular meeting of the Board of Directors of the Pebble Beach Community Services District ("PBCSD") was held in the District Boardroom on January 26, 2007. Board President Richard D. Verbanec called the meeting to order at 9:35 a.m.

**ROLL CALL**

**Present:** Directors Gary D. Hornbuckle, Leo M. Laska, Richard D. Verbanec, Gerald F. Verhasselt, Jeffrey B. Froke

**Others Present**

Craig Anthony, General Manager  
Laura Paxton, Board Clerk, Paxton Ad Hoc  
Robert Wellington, Legal Counsel  
Suha Kilic, Finance Officer  
Michael Niccum, District Engineer  
George Haines, Fire Chief, CDF, San Benito-Monterey Counties Unit  
Jackie Scoggin, Operations Battalion Chief, CDF  
Buddy Bloxom, Operations Battalion Chief, CDF  
John Tormey, Pebble Beach resident  
Vinod Badani, Vice President, E2 Consulting Engineers  
Charlotte Townsend, Director, Carmel Area Wastewater District ("CAWD")  
Mark Verbonich, Vice President, Pebble Beach Company  
Karla Cristi, Pebble Beach resident  
Al Budris, Director, Del Monte Forest Property Owners ("DMFPO")  
Spencer Thompson, Member, DMFPO Traffic & Safety Committee  
Sgt. Raymond Faulk, California Highway Patrol

**APPEARANCES AND ORDER OF BUSINESS**

Karla Cristi, owner of two properties on Crest Road in Pebble Beach, addressed the Board regarding residents' growing concern for fire protection and security along Highway 68 where it borders easements to the rear of Crest Road residences. Ms. Cristi submitted to the general manager a letter she authored to Ms. Lisa Johnson of the SR 68 Widening Project dated November 30, 2006 requesting that a traffic wall be constructed along the Crest Road side of the stretch of the highway that is planned for widening. Pebble Beach Company and California Department of Transportation own easements along the rear of the properties on Crest Road. No easements

appear to be owned by DMFF; the most recent survey maps could verify this. Director Hornbuckle stated that the District does not have the authority to address perimeter security of the Forest, however, the fire hazard potential as outlined in the submitted letter could be reviewed.

There were no additions or changes to the agenda.

## **MINUTES**

### **MOTION 01-07-01**

**Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held December 8, 2006.**

## **FINANCIAL MATTERS**

### **Statement of Receipts and Disbursements**

The Board received and reviewed the *Statements of Receipts and Disbursements* for November and December 2006. Mr. Kilic explained the structure of the monthly reports. Seventy five percent of tax revenue received by the District is placed in the Governmental Funds and 25% in the Proprietary Funds to meet wastewater expenses. The Board designates Reserve Funds for specific use. Revenues placed in undesignated funds are brought before the Board each April for designation into specific funds. Frequency of designation of funds is in the Board's discretion. Mr. Kilic responded to further questions from the Board and public.

### **Check Registers**

The Board received and approved the *Check Registers* for November and December 2006. Check batch numbers and electronic transaction numbers are now used for listing payroll amounts, as individual salary and withholding information is confidential, although position and pay range are public information. Mr. Kilic responded to questions from the Board and public.

### **MOTION 01-07-02**

**Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to approve the *Check Registers* for November and December 2006.**

### **Mid-year Budget Report**

Mr. Kilic reviewed orally the mid-year *Budget Report* for fiscal year 2006-07. The Board received the report as informational only. Director Laska pointed out that, due to a relatively dry winter, flows to CAWD from the District are

less than the seasonal norm and are reflected in the decreased treatment expense to CAWD. In response to Mr. Tormey's inquiry, Mr. Anthony stated that efficiencies in CHP operations related to the District had resulted in expenses being less than the budgeted \$135,000 for law enforcement services. The potential affect on property tax assessments to cover the County loan to Westmed was discussed.

## **GENERAL GOVERNMENT**

### **Law Enforcement Program Status**

Mr. Anthony reviewed orally the *General Manager's Report* on supplemental law enforcement services. He reported only one resident taking issue with enforcement efforts after he and his son each received a parking citation on Ronda Road. When informed of the California Vehicle Code section regarding what constitutes the blocking of a roadway, the resident acknowledged the validity of the citations. Sgt. Faulk, California Highway Patrol, gave an overview of District enforcement services. Officers often assist residents, and the nature and extent of these services will be documented more closely. Traffic collisions appear to be down in number. Parking citations are usually a result of a complaint submitted; Sgt. Faulk reviews all citations coming through the department and recalls only 4 parking tickets issued thus far. Approximately 70% of the 453 citations given were for speeding, and approximately half of those were Forest residents. After the first 1-1/2 months of the program, the number of citations have dropped off. Mr. Al Budris, DMFPO Director and Chair of the Traffic and Safety Committee, stated that the committee would be attempting to draw a correlation between CHP presence and the reduction in crime at next Tuesday's meeting, and will forward the report to Mr. Anthony and Sgt. Faulk.

The officers have been patrolling the coastline where kids gather after school. Radar permit restrictions limit areas within the Forest where radar speed detection devices can be used. Mr. Anthony stated that the District contract with CHP calls for officer coverage for 50 hours per week. Officers present during the AT&T are not part of the District contract.

## **FINANCIAL MATTERS**

### **Director Compensation Treatment**

Mr. Kilic reviewed the *Finance Officer's Report* regarding treatment of Board member compensation. Director Hornbuckle preferred to decline compensation to avoid the treatment requirement. Director Verbanec inquired as to whether there was a compensation threshold below which no reporting was necessary. Mr. Anthony suggested that this agenda item be deferred to the next meeting so the philosophical questions being raised by directors could be researched by staff and alternatives presented to the Board. *Resolution No. 07-01* was placed on hold.

## **FIRE PROTECTION**

### **California Department of Forestry and Fire Prevention (“CDF”) 1<sup>st</sup> Quarter Billing Review**

The Board received and reviewed the *General Manager’s Report* regarding the CDF 1<sup>st</sup> quarter billing review. The informational report was presented as an example of staff’s scrutiny over the invoices submitted by the CDF and a resource for monitoring the District budget. Mr. Anthony responded to questions from the Board.

### **Fire Chief’s Monthly Report**

The Board received and reviewed the monthly fire department operations report for November 2006. In addition to the submitted summary, Chief Haines and Mr. Anthony reported orally in detail on the structure fire that occurred on January 15, 2007 at 2844 Sloat Road. The smoke detector in the hallway of the residence sounded and alerted one of the residents who located the fire in the garage. Damage is estimated at \$400,000.

Westmed Ambulance Co. is still struggling with financial difficulties. Chief Haines attended an emergency special meeting of the County EMS Agency. The County loaned \$1 million to Westmed to cover imminent operating expenses. Westmed is reported to be losing \$200,000 per month; a task force comprised of EMS Agency stakeholders has been established to determine how to make Westmed profitable while it pays back the loan to the County. The task force is to report back to the County Board of Supervisors in two weeks with a proposed plan. The County contract with Westmed will most likely be reworked and a different type of EMS delivery service by Westmed will result. Mr. Kilic is scheduled to meet with Westmed next week; Mr. Anthony stated that the District’s goal is to extend the current PBCSD/Westmed contract for six more months while financial issues are being worked out between Westmed and the County.

Mr. Anthony informed the Board that he attended a Cypress Fire Protection District (“CFPD”) board meeting recently, and it was made clear that the CFPD was planning to place paramedics on its fire engines, and would be applying to the County EMS Agency for permission. Any response by CFPD paramedic firefighters to administer emergency medical service in upper Pebble Beach or other areas of the District would require that the District have County EMS Agency approval as well to receive the services. This would move the District toward the ability to place paramedic firefighters on its engines as an alternative to continuing EMS services through Westmed. This issue will be discussed in further detail at the upcoming Strategic Planning Study Session.

Chief Haines apprised the Board of a fire prevention field trip tentatively planned for the week of February 12<sup>th</sup>. Chief Carreiro is working with homeowners, PBCo foresters, and others, to find a common date. Director Froke and Director Verbanec are interested in attending.

Mark Verbonich, Vice President of Community Affairs, PBCo, thanked the CDF organization for cooperation and guidance given before and during the AT&T event; CHP has been very helpful as well.

## **MAINTENANCE, ENGINEERING, AND CONSTRUCTION**

### **Wastewater Collection, Treatment and Disposal System**

The Board received and reviewed the *District Engineer's Report of Utilities Operations and Maintenance for 12/1/06 – 1/17/07*. Mr. Niccum highlighted the actual cost of \$70,000 for the emergency repairs to the recycled water pipeline near the four corners area. Mr. Niccum responded to questions from the Board.

### **PBCSD Capital Improvement Projects**

Mr. Niccum reviewed orally his monthly status report on capital improvement projects and responded to questions from the Board.

### **Forest Lake Reservoir Storage Capacity Increase**

The Board reviewed the submitted *District Engineer's Report* regarding the Forest Lake Reservoir Project.

## **MOTION 01-07-03**

**Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution 07-02* approving Project Assignment No. 14 to the Master Agreement with E2 Consulting Engineers (E2) to provide engineering services required for the permit application to increase the storage capacity at Forest Lake Reservoir with a budget limit of \$50,000.**

### **Reclamation Management Committee Meeting**

Director Verbanec reviewed orally the highlights of the Reclamation Management Committee meeting held January 12, 2007. The meeting was the last to be attended by Director Joyce Stevens; she is retiring from the CAWD Board. The project received a clean annual financial audit. The Independent Recycled Water Users Group ("IRWUG") is requesting revisions to the pricing of reclaimed water as it relates to two California American Water potable water rate increases approved by the Public Utilities Commission. The reclamation project contract calls for

reclaimed water users to pay the same rate for reclaimed water as is paid by other golf courses using potable water, including the approved increases. The position of PBCo is that the attempt by IRWUG to be excluded from the Cal-Am rate increases does not apply to the reclaimed water project pricing agreement.

### **CAWD Board Meeting**

Director Laska attended the Carmel Area Wastewater District Board meeting held January 25, 2007. Director Stevens was given accolades; a selection process for her temporary replacement was conducted and Bob Sigfreid was appointed to fill the vacancy until the next regular election. Construction has begun on the MF/RO project; rebar is in place and the slab is to be poured next Thursday. The logistics for the amount of cement needed is quite involved.

### **CAWD Meeting Assignment**

Director Verhasselt accepted the assignment to attend the CAWD regular Board meeting on Thursday, February 22, 2007 at 9:30 a.m. in the CAWD Boardroom at 3945 Rio Road, Carmel.

### **SOLID WASTE MANAGEMENT**

Director Laska submitted a report of the meetings of the Monterey Regional Waste Management District ("MRWMD") held on December 15, 2006 and January 19, 2007. Director Laska was selected as Board chair at the January meeting. There were no questions from the Board.

### **GENERAL GOVERNMENT**

#### **Board of Directors' Assignments for 2007**

#### **MOTION 01-07-04**

**Moved by Director Laska, seconded by Director Froke, and unanimously carried, to accept the assignment of Directors to the following committees:**

- A. CAWD/PBCSD Wastewater Reclamation Project Management Committee – Directors Hornbuckle and Verbanec, with Director Laska as alternate.**
- B. PBCSD Defined Benefit Pension Plan, and Supplemental Pension Plan Investment Committee Trustees – "Inside" Trustee Director Laska, "Outside" Trustee Peter McKee.**
- C. DMFPO Traffic and Safety Advisory Committee – Director Froke, with PBCSD General Manager as alternate.**
- D. Pebble Beach Advisory Committee – Director Hornbuckle**

- E. Monterey Regional Waste Management District and Finance Authority – Director Laska, four year term appointment.**
- F. ACWA/JPIA Board of Directors – Director Verhasselt, with PBCSD General Manager and Finance Officer as alternates.**
- G. Monterey County Special Districts Association – Director Verbance and Director Verhasselt, with PBCSD General Manager as associate member. (Director Verbanec will confirm the title for the General Manager’s designation.)**
- H. Cypress Fire Protection District Board – PBCSD General Manager as representative.**
- I. CAWD Board of Directors “observer” – rotate directors.**

### **Schedule Strategic Planning Study Session**

Mr. Anthony requested Board members send him an email if there are any topics that they would like to be included in the study session. Director Hornbuckle requested that District staff provide the plan in a draft format so directors can discuss highlighted exceptions to the current plan. Mr. Anthony will provide the Board members a draft revised plan with pertinent issues noted by District staff. The highlighted plan and an accompanying action plan will be made available on the District web site. One four-hour block of time for the session is suggested, with a subsequent meeting to take place, or updates to the plan agenda for regular Board meetings. The action plan will focus efforts to allow the session to be self-directed and not require a facilitator.

**The Strategic Plan Study Session will be held Monday, February 26, 2007, from 9:00 a.m. to 1:00 p.m. in the PBCSD training room.**

### **General Manager and Legal Counsel Compensation Level**

Director Laska, District labor negotiator, requested that this matter be deferred until after the closed session.

## **MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

### **Oral reports from General Manager**

Mr. Anthony advised the Board that the District Accounting Assistant, Joyce Hamza, left the District to return to Federal Government employ.

### **Questions from Directors or staff seeking clarification of matters within the purview of the District**

There were no questions from Directors or staff.

**Oral reports or announcements from Board President, directors or staff**  
Special District and Local Government Institute is conducting a governance seminar February 15 & 16, 2007. Director Verbanec will be attending. Mr. Anthony will distribute to Board members a flyer with seminar information.

Director Verbanec received his certification of completion of training from the California Special Districts Association.

Director Verbanec gave an overview of the DMFPO Board meeting discussion regarding dual membership on DMFPO and PBCSD boards. The DMFPO Board decided not to formally limit directors. The Board recognized that five incumbent DMFPO Board members could run for the PBCSD Board and be elected. The District Board would need to pay close attention to Brown Act requirements should this situation arise. The DMFPO Nominating and Election Committee will need to make clear to DMFPO Board candidates the legal complexities that could arise from dual membership.

### **CLOSED SESSION**

At 12:03 p.m., President Verbanec announced the Board would meet in closed session to confer with the appointed District labor negotiators regarding unrepresented employees: General Manager and Legal Counsel.

The Board came back into open session at 12:30 p.m. and announced that it had concluded discussion of labor contracts with staff and with the appointed District labor negotiators. No action was taken during closed session.

### **General Manager and Legal Counsel Compensation Level**

#### **MOTION 01-07-05**

**Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to modify the retainer of the District Legal Counsel from \$1,700 per month to \$2,000 per month, and to modify the hourly rate for Legal Counsel's services from \$160 per hour to \$170 per hour, and the rate for Legal Counsel's Associates from \$140 per hour to \$150 per hour, effective January 1, 2007.**

President Verbanec requested that District negotiators and the General Manager meet sometime during the next month for explanation/discussion subsequent to the following motion.

**MOTION 01-07-06**

**Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to change the compensation of the general manager from \$137,000 on an annual basis to \$150,000 on an annual basis, and to eliminate the current \$400 per month car allowance, effective January 1, 2007.**

District Counsel Wellington reminded the Board that by consensus the General Manager's proposed work plan was not adopted, but would be continued over to discussion and input at the Strategic Planning Study Session.

**ADJOURNMENT**

There being no further business at 12:36 p.m. a motion was made to adjourn.

**MOTION 01-07-07**

**M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, February 23, 2007 at 9:30 a.m. in the District Boardroom at Forest Lake and Lopez Roads.**